

## Message Text

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12

ORIGIN IO-13

INFO OCT-01 EUR-25 ADP-00 COME-00 EB-11 L-03 OIC-04

CIAE-00 INR-10 NSAE-00 RSC-01 AID-20 TRSE-00 OMB-01

/089 R

DRAFTED BY IO/ TRC: CGRIP: CMC

3/30/73 EXT 27930

APPROVED BY IO/ TRC - MR. GRIP

USTS -

R. HAMILTON ( SUBS) IO/ SEC -  
----- 071190

R 310029 Z MAR 73

FM SECSTATE WASHDC

TO AMEMBASSY THE HAGUE

INFO USMISSION USUN NEW YORK

USMISSION GENEVA

UNCLAS STATE 059569

E. O.: 11652 N/ A

TAGS: ETRD, AORG

SUBJECT: APPROVAL OF WTO STATUTES

REF: HAGUE 673, 1485

1. REGRET DELAY IN RESPONDING TO CONCERNS EXPRESSED BY  
NETHERLANDS OFFICIALS REGARDING APPROVAL OF WTO STATUTES.  
US VIEWS ON POINTS RAISED ARE AS FOLLOWS:

A) WE DO NOT REPEAT NOT INTERPRET ARTICLE 25 OF WTO  
STATUTES AS PROVIDING FOR ESTABLISHMENT OF AID FUNDS UNDER  
2/3 VOTING RULE. WHILE STATUTES WOULD PERMIT VOLUNTARY  
CONTRIBUTIONS FOR SPECIAL AID FUNDS, US AND OTHER  
DEVELOPED COUNTRIES GENERALLY HAVE EMPHASIZED THROUGHOUT  
PREPARATORY DISCUSSIONS THAT WTO ROLE IN TECHNICAL ASSIST-  
ANCE SHOULD BE LIMITED TO THAT OF SERVING AS EXECUTING  
AGENCY FOR UNDP. ASSESSED CONTRIBUTIONS UNDER ARTICLE 25  
ARE INTENDED TO FUND ADMINISTRATIVE FUNCTIONS AND GENERAL  
PROGRAM OF WORK ONLY. WHILE DEVELOPING COUNTRY  
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REPRESENTATIVES CLEARLY HAVE SOUGHT TO MAKE WTO VEHICLE FOR APPROPRIATION OF TECHNICAL ASSISTANCE FUNDS, THEIR EFFORTS TO ACHIEVE THIS HAVE BEEN UNSUCCESSFUL AND FOREGOING UNDERSTANDINGS AND INTERPRETATIONS WERE ACCEPTED BY WORKING PARTY MEETING IN GENEVA WHICH APPROVED RECOMMENDED FINANCIAL REGULATIONS AND EXECUTIVE COUNCIL MEETING IN LUSAKA WHICH REACHED AGREEMENT ON SCALE OF ASSESSMENTS.

IT IS REMOTELY POSSIBLE THAT DUTCH MAY BE THINKING OF SITUATION WHERE WTO IS INCOMPLETELY REIMBURSED BY UNDP FOR PROJECT EXECUTION SO THAT SHORTFALL IN UNDP REIMBURSEMENT IS MADE UP OUT OF WTO REGULAR BUDGET. THIS SITUATION, WHICH WE WOULD OPPOSE, WOULD STEM FROM INADEQUATE ARRANGEMENTS WITH UNDP AND NOT FROM SPECIFIC DEFECT IN STATUTES.

B) WEIGHTED VOTING PROPOSAL FELL AWAY AS PRACTICAL MATTER WHEN SCALE OF ASSESSMENTS SATISFACTORY TO DEVELOPED COUNTRIES WAS AGREED AT LUSAKA. IT WAS DECIDED THERE BY SILENT CONSENSUS THAT WEIGHTED VOTING SCHEME WOULD NO LONGER BE PURSUED IN VIEW OF AGREEMENT ON SCALE OF ASSESSMENTS SATISFACTORY TO DEVELOPED COUNTRIES.

C) WHILE PROPOSED ASSESSMENT OF 4.5 PERCENT FOR US PLACES US SUBSTANTIALLY ABOVE ANY OTHER CONTRIBUTOR, IT RESULTS FROM APPROACH TAKEN ( RANKING OF CONTRIBUTORS INTO CLASSES) AND SATISFIES CRITICAL US REQUIREMENT THAT US SHARE SHALL NOT EXCEED 5 PERCENT OF TOTAL WTO ASSESSED CONTRIBUTIONS.

2. US DELEGATION AT LUSAKA DID NOT TAKE LEAD IN PROPOSING INFORMAL CONSULTATION AMONG DEVELOPED STATES PRIOR TO NEXT IUOTO MEETING, BUT STRONGLY CONCURRED IN USEFULNESS OF PROPOSAL AND WE WOULD PLAN TO BE REPRESENTED.

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Review Content Flags:**  
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**Review Transfer Date:**  
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**TAGS:** AORG, ETRD  
**To:** THE HAGUE INFO GENEVA  
USUN NEW YORK  
**Type:** TE  
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